

Karim Abdul Ismaili

Disposition of Criminal Case

DATE: April 3, 2002

DEFENDANT: Karim Abdul Ismaili

COURT: Crawford County, Kansas

JUDGE: Honorable Donald R. Noland

DISPOSITION: Karim Abdul Ismaili, a 53 year old citizen of Morocco living in West Palm Beach, Florida, pleaded no contest to a felony count of conspiracy to commit securities fraud in connection with a methane gas investment by a retired Crawford County couple. The elderly couple initially invested \$100,000 with an Arizona company, Jet Drilling, in 1996. Shortly thereafter, the victims were told that a German investor wanted to buy their Jet Drilling interests for \$127,000, but he needed a loan to free up capital for the transaction. The victims were referred to Ismaili for advice about the proposed loan to the German investor. Ismaili then posed as a neutral third party and encouraged the victims to loan \$70,000 to the German investor, but Ismaili failed to tell the victims that he had a conflict of interest because he owed money to this investor. Ismaili entered the plea and was convicted on March 25, 2002, in Crawford County District Court. As a condition of the plea agreement, \$70,000 was paid in restitution on April 2, 2002.

Notice to Investors: If you are not a resident of Kansas and have been affected by actions that are similar to those described in this synopsis, you should consider contacting your state securities regulator for assistance. To locate your securities regulator, go to the [North American Securities Administrators Association](#) website. If you choose to contact your state securities regulator, please inform him or her of the action taken by the State of Kansas.